

107TH CONGRESS  
1ST SESSION

# H. R. 2995

To make technical and conforming changes to provide for the enactment of the Independence of the Chief Financial Officer Establishment Act of 2001, to establish a reporting event notification system to assist Congress and the District of Columbia in maintaining the financial stability of the District government and avoiding the initiation of a control period, to provide the District of Columbia with autonomy over its budgets, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 2, 2001

Mrs. MORELLA (for herself, Ms. NORTON, Ms. WATSON of California, and Mr. FATTAH) introduced the following bill; which was referred to the Committee on Government Reform

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## A BILL

To make technical and conforming changes to provide for the enactment of the Independence of the Chief Financial Officer Establishment Act of 2001, to establish a reporting event notification system to assist Congress and the District of Columbia in maintaining the financial stability of the District government and avoiding the initiation of a control period, to provide the District of Columbia with autonomy over its budgets, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “District of Columbia Fiscal Integrity Act of 2001”.

4 (b) TABLE OF CONTENTS.—The table of contents of  
5 this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—CHIEF FINANCIAL OFFICER OF THE DISTRICT OF  
COLUMBIA**

Sec. 101. Technical and conforming changes providing for enactment of Independence of the Chief Financial Officer Establishment Act of 2001.

Sec. 102. Special interim rule regarding personnel authority.

Sec. 103. Special interim rule regarding procurement authority.

Sec. 104. Special interim rule regarding preparation and submission of budget for Chief Financial Officer and Inspector General.

Sec. 105. Effective date.

**TITLE II—COUNCIL OF THE DISTRICT OF COLUMBIA**

Sec. 201. Procedures for reprogramming of amounts during non-control years.

Sec. 202. Repeal of requirement for Council approval of contracts exceeding \$1,000,000 during one-year period.

**TITLE III—REPORTING EVENT NOTIFICATION SYSTEM**

Sec. 301. Reporting event notification system.

**TITLE IV—DISTRICT OF COLUMBIA BUDGET AUTONOMY**

Sec. 401. Enactment of District of Columbia budget without further Congressional approval.

Sec. 402. Action by Council of District of Columbia on budget acts.

Sec. 403. Permitting employees to be hired if position authorized by act of the Council.

Sec. 404. Amendments to limitations on borrowing and spending by the District to reflect changes in budget process.

Sec. 405. Effective date.

1 **TITLE I—CHIEF FINANCIAL OF-**  
 2 **FICER OF THE DISTRICT OF**  
 3 **COLUMBIA**

4 **SEC. 101. TECHNICAL AND CONFORMING CHANGES PRO-**  
 5 **VIDING FOR ENACTMENT OF INDEPENDENCE**  
 6 **OF THE CHIEF FINANCIAL OFFICER ESTAB-**  
 7 **LISHMENT ACT OF 2001.**

8 (a) IN GENERAL.—Part B of title IV of the District  
 9 of Columbia Home Rule Act is amended by striking sec-  
 10 tion 424 (sec. 1–204.24a et seq., D.C. Official Code).

11 (b) CLARIFICATION OF DUTIES OF CHIEF FINANCIAL  
 12 OFFICER AND MAYOR.—

13 (1) RELATION TO FINANCIAL DUTIES OF  
 14 MAYOR.—Section 448(a) of such Act (sec. 1–  
 15 204.48(a), D.C. Official Code) is amended by strik-  
 16 ing “section 603,” and inserting “section 603 and  
 17 except to the extent provided under section 6 of the  
 18 Independence of the Chief Financial Officer Estab-  
 19 lishment Act of 2001,”.

20 (2) RELATION TO MAYOR’S DUTIES REGARDING  
 21 ACCOUNTING SUPERVISION AND CONTROL.—Section  
 22 449 of such Act (sec. 1–204.49, D.C. Official Code)  
 23 is amended by striking “The Mayor” and inserting  
 24 “Except to the extent provided under section 6 of

1 the Independence of the Chief Financial Officer Es-  
2 tablishment Act of 2001, the Mayor”.

3 (c) CONFORMING AMENDMENT.—Section 422(6) of  
4 such Act (sec. 1–204.22(6), D.C. Official Code) is amend-  
5 ed by striking the second sentence.

6 (d) CLERICAL AMENDMENT.—The table of contents  
7 for the District of Columbia Home Rule Act is amended  
8 by striking the item relating to section 424.

9 **SEC. 102. SPECIAL INTERIM RULE REGARDING PERSONNEL**  
10 **AUTHORITY.**

11 (a) AUTHORITY OVER PERSONNEL OF OFFICE AND  
12 OTHER FINANCIAL PERSONNEL.—

13 (1) IN GENERAL.—Notwithstanding any provi-  
14 sion of the Independence of the Chief Financial Offi-  
15 cer Establishment Act of 2001 or any other provi-  
16 sion of law or regulation (including any law or regu-  
17 lation providing for collective bargaining or the en-  
18 forcement of any collective bargaining agreement),  
19 during the period of applicability referred to in sub-  
20 section (b) the following personnel shall be appointed  
21 by, shall serve at the pleasure of, and shall act  
22 under the direction and control of the Chief Finan-  
23 cial Officer of the District of Columbia, and shall be  
24 considered at-will employees not covered by the Dis-

1        trict of Columbia Government Comprehensive Merit  
2        Personnel Act of 1978:

3                (A) The counsel to the Office of the Chief  
4        Financial Officer of the District of Columbia  
5        and other attorneys employed by the Office.

6                (B) Personnel of the Office not described  
7        in subparagraph (A).

8                (C) The heads and all personnel of the of-  
9        fices described in paragraph (2), together with  
10       all other District of Columbia accounting, budg-  
11       et, and financial management personnel (includ-  
12       ing personnel of independent agencies but not  
13       including personnel of the legislative or judicial  
14       branches of the District government).

15               (2) OFFICES DESCRIBED.—The offices referred  
16       to in this subparagraph are as follows:

17                (A) The Office of the Treasurer (or any  
18        successor office).

19                (B) The Controller of the District of Co-  
20        lumbia (or any successor office).

21                (C) The Office of the Budget (or any suc-  
22        cessor office).

23                (D) The Office of Financial Information  
24        Services (or any successor office).

1 (E) The Department of Finance and Rev-  
2 enue (or any successor office).

3 (F) The District of Columbia Lottery and  
4 Charitable Games Control Board.

5 (b) PERIOD OF APPLICABILITY.—The period of appli-  
6 cability referred to in this subsection is the 2-year period  
7 which begins on the effective date described in section 105.

8 **SEC. 103. SPECIAL INTERIM RULE REGARDING PROCURE-**  
9 **MENT AUTHORITY.**

10 (a) EXCLUSION FROM PROCUREMENT CONTRACTING  
11 AUTHORITY OF MAYOR.—Notwithstanding any provision  
12 of the Independence of the Chief Financial Officer Estab-  
13 lishment Act of 2001 or any other provision of law, during  
14 the period of applicability described in subsection (b)—

15 (1) the Mayor of the District of Columbia may  
16 not enter into any contract, or issue any order, rule,  
17 or regulation, with respect to the procurement of  
18 goods and services by or on behalf of the Chief Fi-  
19 nancial Officer of the District of Columbia;

20 (2) the Chief Financial Officer may waive the  
21 application of any provision of the District of Co-  
22 lumbia Procurement Practices Act of 1986 with re-  
23 spect to any contract entered into by the Chief Fi-  
24 nancial Officer for the procurement of goods and

1 services for the use of the Office of the Chief Finan-  
2 cial Officer; and

3 (3) any contract entered into by the Chief Fi-  
4 nancial Officer for the procurement of goods and  
5 services for the use of the Office shall be effective  
6 without review by the Mayor or Council of the Dis-  
7 trict of Columbia.

8 (b) PERIOD OF APPLICABILITY.—The period of appli-  
9 cability referred to in this subsection is the 2-year period  
10 which begins on the effective date described in section 105.

11 **SEC. 104. SPECIAL INTERIM RULE REGARDING PREPARA-**  
12 **TION AND SUBMISSION OF BUDGET FOR**  
13 **CHIEF FINANCIAL OFFICER AND INSPECTOR**  
14 **GENERAL.**

15 (a) IN GENERAL.—

16 (1) PREPARATION.—The Chief Financial Offi-  
17 cer of the District of Columbia and the Inspector  
18 General of the District of Columbia shall each pre-  
19 pare and annually submit to the Mayor of the Dis-  
20 trict of Columbia, for inclusion in the annual budget  
21 of the District of Columbia government for a fiscal  
22 year, annual estimates of the expenditures and ap-  
23 propriations necessary for the year for the operation  
24 of the Office of the Chief Financial Officer or the  
25 Office of the Inspector General (as the case may be).

1           (2) SUBMISSION TO COUNCIL.—In addition to  
2       the items relating to the Office of the Chief Finan-  
3       cial Officer and the Office of the Inspector General  
4       which are included in the annual budget submitted  
5       by the Mayor to the Council of the District of Co-  
6       lumbia under section 442 of the District of Colum-  
7       bia Home Rule Act, the Mayor shall forward to the  
8       Council without revision (at the time the Mayor sub-  
9       mits the budget) the estimates prepared under para-  
10      graph (1).

11           (3) PROVIDING INDEPENDENT INFORMATION  
12      TO COUNCIL.—The Chief Financial Officer and the  
13      Inspector General may provide independent testi-  
14      mony and other information to the Council regard-  
15      ing the estimates forwarded under paragraph (2).

16      (b) PERIOD OF APPLICABILITY.—This section shall  
17      apply with respect to the first 2 fiscal years which begin  
18      after the effective date described in section 105.

19      **SEC. 105. EFFECTIVE DATE.**

20      Except as otherwise provided, this title and the  
21      amendments made by this title shall take effect upon the  
22      approval by the Mayor of the District of Columbia of the  
23      Independence of the Chief Financial Officer Establish-  
24      ment Act of 2001 (or, in the event of a veto of such Act



1 by the Mayor, upon action by the Council of the District  
2 of Columbia to override the veto).

## 3 **TITLE II—COUNCIL OF THE** 4 **DISTRICT OF COLUMBIA**

### 5 **SEC. 201. PROCEDURES FOR REPROGRAMMING OF** 6 **AMOUNTS DURING NON-CONTROL YEARS.**

7 (a) IN GENERAL.—Subpart 1 of part D of title IV  
8 of the District of Columbia Home Rule Act is amended  
9 by inserting after section 446 the following new section:

10 “REPROGRAMMING OF AMOUNTS IN BUDGET AFTER  
11 ADOPTION

12 “SEC. 446A. (a) YEARS OTHER THAN CONTROL  
13 YEARS.—

14 “(1) IN GENERAL.—After the adoption of the  
15 annual budget for a fiscal year which is not a con-  
16 trol year, no reprogramming of amounts in the  
17 budget may occur unless—

18 “(A) the Mayor submits a request for such  
19 reprogramming to the Chief Financial Officer  
20 of the District of Columbia;

21 “(B) the Chief Financial Officer transmits  
22 to the Council a statement approving the re-  
23 quest and containing an analysis of the effect of  
24 the proposed reprogramming on the financial  
25 plan and budget for the fiscal year; and

1           “(C) the Council approves the request  
2           after receiving the statement described in sub-  
3           paragraph (B) from the Chief Financial Officer.

4           “(2) DEEMED APPROVAL BY CFO AFTER 10  
5           DAYS.—If the Chief Financial Officer does not  
6           transmit to the Council a statement described in  
7           paragraph (1)(B) (or a statement disapproving the  
8           request for reprogramming) during the 10-day pe-  
9           riod which begins on the date the Chief Financial  
10          Officer receives the request for reprogramming from  
11          the Mayor, the Chief Financial Officer shall be  
12          deemed to have approved the request and to have  
13          transmitted a statement approving the request to  
14          the Council.

15          “(b) CONTROL YEARS.—After the adoption of the an-  
16          nual budget for a fiscal year which is a control year (be-  
17          ginning with the annual budget for fiscal year 1995), no  
18          reprogramming of amounts in the budget may occur un-  
19          less the Mayor submits to the Council a request for such  
20          reprogramming and the Council approves the request, but  
21          only if any additional expenditures provided under such  
22          request for an activity are offset by reductions in expendi-  
23          tures for another activity.

24          “(c) CONTROL YEAR DEFINED.—In this section, the  
25          term ‘control year’ has the meaning given such term in

1 section 305(4) of the District of Columbia Financial Re-  
 2 sponsibility and Management Assistance Act of 1995.”.

3 (b) CONFORMING AMENDMENT.—Section 446 of  
 4 such Act (sec. 1–204.46, D.C. Official Code) is amended  
 5 by striking the last sentence.

6 (c) CLERICAL AMENDMENT.—The table of sections  
 7 for subpart 1 of part D of title IV of the District of Co-  
 8 lumbia Home Rule Act is amended by inserting after the  
 9 item relating to section 446 the following new item:

“Sec. 446A. Reprogramming of amounts in budget after adoption.”.

10 **SEC. 202. REPEAL OF REQUIREMENT FOR COUNCIL AP-**  
 11 **PROVAL OF CONTRACTS EXCEEDING**  
 12 **\$1,000,000 DURING ONE-YEAR PERIOD.**

13 Section 451 of the District of Columbia Home Rule  
 14 Act (sec. 1–204.51, D.C. Official Code) is amended—

15 (1) by striking subsection (b); and

16 (2) by redesignating subsections (c) and (d) as  
 17 subsections (b) and (c).

18 **TITLE III—REPORTING EVENT**  
 19 **NOTIFICATION SYSTEM**

20 **SEC. 301. REPORTING EVENT NOTIFICATION SYSTEM.**

21 (a) IN GENERAL.—Subtitle A of title II of the Dis-  
 22 trict of Columbia Financial Responsibility and Manage-  
 23 ment Assistance Act of 1995 (sec. 47–392.01 et seq., D.C.

1 Official Code) is amended by adding at the end the fol-  
2 lowing new section:

3 **“SEC. 210. REPORTING EVENT NOTIFICATION SYSTEM.**

4 “(a) ESTABLISHMENT OF SYSTEM.—

5 “(1) IN GENERAL.—Not later than 30 days  
6 after the date of the enactment of the District of  
7 Columbia Fiscal Integrity Act of 2001, the Chief Fi-  
8 nancial Officer of the District of Columbia shall de-  
9 velop a reporting event notification system under  
10 which the Chief Financial Officer shall, on an ongo-  
11 ing basis—

12 “(A) monitor the financial performance of  
13 the District government, economic trends in the  
14 Washington metropolitan area, and other fac-  
15 tors affecting the financial stability of the Dis-  
16 trict of Columbia;

17 “(B) on the basis of such factors, deter-  
18 mine whether an event is likely to occur which  
19 will result in the initiation of a control period  
20 (as provided in section 209(a)) if the District of  
21 Columbia does not take prompt and sufficient  
22 steps to respond to the event; and

23 “(C) notify the Mayor and Congress upon  
24 making a determination described in subpara-  
25 graph (B).

1           “(2) CONSULTATION.—The Chief Financial Of-  
2       ficer shall develop the reporting event notification  
3       system. In developing the system, the Chief Finan-  
4       cial Officer shall consult with the Mayor, the Coun-  
5       cil, the Inspector General of the District of Colum-  
6       bia, the Comptroller General, and the Director of  
7       the Office of Management and Budget.

8           “(3) SUBMISSION TO CONGRESS.—The report-  
9       ing event notification system developed under this  
10      subsection shall take effect upon the expiration of  
11      the 30-day period which begins on the date the Chief  
12      Financial Officer submits a detailed description of  
13      the system to the Committees on Appropriations of  
14      the House of Representatives and Senate, the Com-  
15      mittee on Government Reform of the House of Rep-  
16      resentatives, and the Committee on Governmental  
17      Affairs of the Senate.

18      “(b) RESPONSE BY MAYOR.—

19           “(1) IN GENERAL.—If the Mayor receives a no-  
20      tification from the Chief Financial Officer under  
21      subsection (a)(1)(C), the Mayor shall develop an ac-  
22      tion plan to respond to the event which is the sub-  
23      ject of the notification, and shall include in the  
24      plan—

1           “(A) a description of the event and the  
2 causes of the event;

3           “(B) an assessment of the risk to the fi-  
4 nancial stability of the District government  
5 caused by the event; and

6           “(C) a list of actions the District will take  
7 to respond to the event, including—

8                   “(i) who is responsible for each action;

9                   “(ii) the timeframe for each action;

10                   and

11                   “(iii) performance measures to assess  
12 progress with regard to each action.

13           “(2) DEADLINE.—The Mayor shall develop the  
14 action plan required under paragraph (1) as soon as  
15 practicable after receiving the notification from the  
16 Chief Financial Officer, but in no event later than  
17 15 days after receiving the notification.

18           “(3) SUBMISSION.—The Mayor shall submit  
19 each action plan developed under this subsection to  
20 the President, the Council, the Committees on Ap-  
21 propriations of the House of Representatives and  
22 Senate, the Committee on Government Reform of  
23 the House of Representatives, and the Committee on  
24 Governmental Affairs of the Senate.”.

1 (b) CLERICAL AMENDMENT.—The table of sections  
 2 for subtitle A of title II of such Act is amended by adding  
 3 at the end the following new item:

“Sec. 210. Reporting event notification system.”.

4 **TITLE IV—DISTRICT OF**  
 5 **COLUMBIA BUDGET AUTONOMY**

6 **SEC. 401. ENACTMENT OF DISTRICT OF COLUMBIA BUDGET**  
 7 **WITHOUT FURTHER CONGRESSIONAL AP-**  
 8 **PROVAL.**

9 (a) IN GENERAL.—Section 446 of the District of Co-  
 10 lumbia Home Rule Act (sec. 1–204.46, D.C. Official Code)  
 11 is amended by striking the third, fourth, and fifth sen-  
 12 tences and inserting the following: “Any such act by the  
 13 Council adopting the annual budget or any supplements  
 14 thereto shall take effect upon the transmittal of the act  
 15 by the Council to the Congress. Except as provided in sec-  
 16 tion 445A(b), section 467(d), section 471(e), section  
 17 472(d), section 475(e), section 483(d), and subsections  
 18 (f), (g), (h)(3), and (i)(3) of section 490, no amount may  
 19 be obligated or expended by any officer or employee of the  
 20 District of Columbia government unless such amount has  
 21 been approved by an act of the Council (and then only  
 22 in accordance with such authorization) and a copy of such  
 23 act has been transmitted by the Chairman to the Con-  
 24 gress.”.

1 (b) CONFORMING AMENDMENTS.—(1) Section  
 2 412(a) of such Act (sec. 1–204.12(a), D.C. Official Code)  
 3 is amended by striking “(other than an act to which sec-  
 4 tion 446 applies)”.

5 (2) Section 602(c)(1) of such Act (sec. 1–  
 6 206.02(c)(1), D.C. Official Code) is amended in the first  
 7 sentence by striking “section 462(c) and section  
 8 472(d)(1)” and inserting “sections 446, 462(c), and  
 9 472(d)(1)”.

10 (c) CLERICAL AMENDMENTS.—(1) The heading of  
 11 section 446 of such Act is amended to read as follows:

12 “ENACTMENT OF BUDGET BY THE COUNCIL”

13 (2) The item relating to section 446 in the table of  
 14 contents of such Act is amended to read as follows:

“Sec. 446. Enactment of budget by the Council.”.

15 **SEC. 402. ACTION BY COUNCIL OF DISTRICT OF COLUMBIA**  
 16 **ON BUDGET ACTS.**

17 Section 404(f) of the District of Columbia Home Rule  
 18 Act (sec. 1–204.4(f), D.C. Official Code) is amended by  
 19 striking “transmitted by the Chairman to the President  
 20 of the United States” both places it appears and inserting  
 21 “incorporated in such Act”.



1 **SEC. 403. PERMITTING EMPLOYEES TO BE HIRED IF POSI-**  
 2 **TION AUTHORIZED BY ACT OF THE COUNCIL.**

3 Section 447 of the District of Columbia Home Rule  
 4 Act (sec. 1–204.47, D.C. Official Code) is amended—

5 (1) by striking “Act of Congress” and inserting  
 6 “act of the Council” both places it appears; and

7 (2) by striking “Acts of Congress” and insert-  
 8 ing “acts of the Council”.

9 **SEC. 404. AMENDMENTS TO LIMITATIONS ON BORROWING**  
 10 **AND SPENDING BY THE DISTRICT TO RE-**  
 11 **FLECT CHANGES IN BUDGET PROCESS.**

12 (a) **FEDERAL AUTHORITY OVER BUDGET-MAKING**  
 13 **PROCESS.**—Section 603 of the District of Columbia Home  
 14 Rule Act (sec. 1–206.03, D.C. Official Code) is  
 15 amended—

16 (1) by striking subsections (a) and (d); and

17 (2) by redesignating subsections (b), (c), and  
 18 (e) as subsections (a), (b), and (c).

19 (b) **CONFORMING AMENDMENTS.**—(1) Section  
 20 443(8) of such Act (sec. 1–204.43(8), D.C. Official Code)  
 21 is amended by striking “section 603(b)” and inserting  
 22 “section 603(a)”.

23 (2) Section 445 of such Act (sec. 1–204.46, D.C. Of-  
 24 ficial Code) is amended by striking “603(c)” and inserting  
 25 “603(b)”.

1       (3) Section 445A of such Act (sec. 1–204.45a, D.C.  
2 Official Code) is amended by striking “603(c)” and insert-  
3 ing “603(b)”.

4       (4) Section 461(a)(1) of such Act (sec. 1–  
5 204.61(a)(1), D.C. Official Code) is amended by striking  
6 “section 603(b)” and inserting “section 603(a)”.

7       (5) Section 475(b) of such Act (sec. 1–204.75(b),  
8 D.C. Official Code) is amended by striking “section  
9 603(b)” and inserting “section 603(a)”.

10       (6) Section 487(a) of such Act (sec. 1–204.87(a),  
11 D.C. Official Code) is amended by striking “section  
12 603(b)” and inserting “section 603(a)”.

13       (7) Section 490(i) of such Act (sec. 1–204.90(i), D.C.  
14 Official Code) is amended by striking “section 603(b)”  
15 and inserting “section 603(a)”.

16 **SEC. 405. EFFECTIVE DATE.**

17       The amendments made by this title shall apply to  
18 budgets of the District of Columbia for fiscal years begin-  
19 ning on or after October 1, 2003.

○